

## THE MARSHALL COMPANY

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June 15, 1995

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The Honorable Reed Hunt  
Chairman  
Federal Communications Commission  
1919 M Street, N.W.  
Room 844  
Washington, D.C. 20554

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JUN 19 1995

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

RE: PP Docket 93-253, PCS Entrepreneurs' Block Auction Rules

Dear Chairman Hunt:

As you may be aware, I (and several other women experienced in the media and telecommunications fields) have formed a small business to participate in the PCS Entrepreneurs' Block auction scheduled to begin August 2nd. Completing funding arrangements for our business, United Wireless LLC, has been no easy task, particularly with the continuing uncertainties regarding the legality of the FCC's auction rules. Nevertheless, we welcome the opportunity the Commission has created for new entrants into the telecommunications business and applaud the Commission's continuing commitment -- even in the face of the Adarand decision -- to its Entrepreneurs' Block auction.

United Wireless remains committed to participating in the Entrepreneurs' Block auction. To that end, I believe that it is imperative that the FCC move quickly to resolve any uncertainty regarding its auction rules and get the auction underway in as "bulletproof" a manner as time will permit. Accordingly, I respectfully make the following suggestions for revisions to the Entrepreneurs' Block rules:

1. To alleviate constitutional concerns about the Entrepreneurs' block auctions, the Commission should state that all small businesses with gross revenues of less than \$40 million over the past two years are eligible for:
  - a 25% bidding credit,
  - six years of interest only payments at the 10-year Treasury note rate, and
  - the option to utilize an ownership structure whereby a qualified control group holds a minimum 50.1% ownership interest (having both *de jure* and *de facto* control) with non-attributable investors holding up to a 49.9% ownership interest.

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2. Although it may be possible to amend the auction rules without notice and comment, I am concerned that such action would be an invitation to litigation. We cannot afford another lengthy procedural delay to the auctions.

Accordingly, I recommend that you utilize the "emergency" provisions of the Administrative Procedures Act and the Commission's own rule to issue an abbreviated notice and comment period (totaling no more than 25 days) for any rule changes you may adopt. This should, at the very least, discourage any procedural challenges to the new rules and ensure that the auctions go forward in a timely fashion.

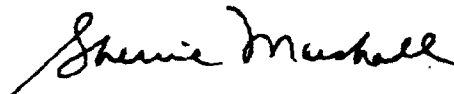
I recognize that this could result in a one month delay in the start of the auctions. However, given all the uncertainties surrounding these auctions many financiers have pulled back from their commitments to support "DEs". A short delay would afford small businesses sufficient time to restructure their financing so that they could participate in the auctions under the new rules.

### CONCLUSION

Companies such as United Wireless have spent significant resources in preparation for the upcoming auction. As a result of the Adarand decision, some are now scrambling to secure new financing and/or strategic partners for their PCS license bids.

United Wireless will restructure to comply with whatever rule changes you deem appropriate. We are committed to acquiring and building out the new PCS properties. We urge you to take prompt action to cure any perceived deficiencies in the Commission's Entrepreneurs' Block rules so that the auctions may go forward no later than the first week of September this year.

Sincerely,



Sherrie Marshall

cc: Regina Keeney  
William Kennard, Esq.  
Don Gipps

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